

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
STEWARD HEALTH CARE SYSTEM	§	Case No. 24-90213 (CML)
LLC, et al.,	§	
	§	(Jointly Administered)
Debtors.¹	§	
	§	

**NOTICE OF (I) CANCELLATION
OF CERTAIN AUCTIONS AND SALE
HEARINGS, (II) DESIGNATION OF SUCCESSFUL BIDS,
(III) PROPOSED SALE ORDERS, AND (IV) SCHEDULING OF SALE
HEARING WITH RESPECT TO (A) WADLEY REGIONAL MEDICAL
CENTER AT HOPE AND (B) GLENWOOD REGIONAL MEDICAL CENTER**

PLEASE TAKE NOTICE THAT:

1. On May 6, 2024, Steward Health Care System LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (the “**Debtors**”), each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code.

2. On June 3, 2024, this Court entered the *Order (I) Approving (A) Global Bidding Procedures for Sales of the Debtors’ Assets, (B) Form and Manner of Notice of Sales, Auctions, and Sale Hearings, and (C) Assumption and Assignment Procedures and Form and Manner of Notice of Assumption and Assignment; (II) Authorizing Designation of Stalking Horse Bidders; (III) Scheduling Auctions and Sale Hearings; and (IV) Granting Related Relief* (Docket No. 626) (the “**Bidding Procedures Order**”) approving global bidding procedures (the “**Global Bidding Procedures**”) in connection with the sale of substantially all of the Debtors’ assets, and granting other related relief.² Pursuant to the Global Bidding Procedures, the Bid Deadline with respect to the First Round Hospitals was **June 24, 2024 at 5:00 p.m. (Central Time)**.

3. On June 5, 2024, the Debtors filed the *Notice of Sale, Global Bidding Procedures, Auction and Sale Hearing* (Docket No. 689) (the “**Sale Notice**”).

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>. The Debtors’ service address for these chapter 11 cases is 1900 N. Pearl Street, Suite 2400, Dallas, Texas 75201.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Order, the Global Bidding Procedures, and the Sale Notice (as defined herein), as applicable.

4. On June 26, 2024, the Debtors filed the *Notice of Adjournment of Auction* (Docket No. 1039) adjourning the Auction to a date to be determined for the First Round Hospitals in Arkansas, Louisiana, Ohio, and Pennsylvania.

5. On July 9, 2024, the Debtors filed the *Notice of Adjournment of Sale Hearing for First Round Hospitals and Related Dates and Deadlines* (Docket No. 1190) (the “**Notice of Adjournment**”) adjourning the sale hearing for the First Round Hospitals, previously scheduled to occur on July 11, 2024 at 1:00 p.m. (Central Time) to a date to be determined. The Notice of Adjournment also adjourned the Adequate Assurance Objection Deadline and the Sale Objection Deadline with respect to the First Round Hospitals, previously scheduled to occur on July 8, 2024 at 5:00 p.m. (Central Time) to a date to be determined.

Qualified Bids

6. The Debtors received a bid from Pafford Health Systems, Inc. (“**Pafford**”) for Wadley Regional Medical Center at Hope, Arkansas (“**Wadley Regional Medical Center**,” and such Bid, the “**Pafford Bid**”), and a bid from AHS South LLC (“**AHS**”) for Glenwood Regional Medical Center in Louisiana (“**Glenwood Regional Medical Center**” and such Bid, the “**AHS Bid**”) and have determined that the Pafford Bid and the Glenwood Bid are each a “Qualified Bid” under the Global Bidding Procedures.

Cancellation of Auctions

7. Pursuant to the Global Bidding Procedures and the Qualified Bid received for each of Wadley Regional Medical Center and Glenwood Regional Medical Center, the Debtors have determined to not conduct an Auction with respect to such Hospitals.

8. Additionally, as of the date hereof, the Debtors have not received bids that constitute a Qualified Bid for the Debtors’ Hospitals in Ohio and Pennsylvania, and the Auction with respect to such Hospitals is also cancelled. The Debtors are currently working with the Consultation Parties to evaluate alternatives with respect to the Debtors’ Hospitals in Ohio and Pennsylvania. No decision has been made with respect to such Hospitals, and the Debtors will make a further announcement with respect to such Hospitals at a later date.

Successful Bid

9. The Debtors, after consultation with the Consultation Parties, have determined that the designation of (1) the Pafford Bid as the Successful Bid with respect to Wadley Regional Medical Center, and (2) the AHS Bid as the Successful Bid with respect to Glenwood Regional Medical Center is in the best interests of the Debtors and their estates.

10. Filed with this Notice as **Exhibit A** is the Debtors’ proposed order approving the sale transaction for Wadley Regional Medical Center to Pafford (the “**Wadley Sale Order**”). A full and complete copy of the asset purchase agreement for Wadley Regional Medical Center in substantially final form (the “**Wadley APA**”) between the Debtors and Pafford, containing the terms of the Pafford Bid is attached to the Wadley Sale Order as **Exhibit 1**.

11. Filed with this Notice as **Exhibit B** is the Debtors' proposed order approving the sale transaction for Glenwood Regional Medical Center to AHS (the "Glenwood Sale Order"). A full and complete copy of the final asset purchase agreement for Glenwood Regional Medical Center (the "Glenwood APA," and together with the Wadley APA, the "APAs") between the Debtors and the AHS, containing the terms of the AHS Bid is attached to the Glenwood Sale Order as Exhibit 1.

12. Mailed copies of this Notice will include the APAs without their voluminous schedules. The fully-compiled versions of the APAs, including schedules, may be obtained free of charge on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>.

Objection Deadlines

13. The Adequate Assurance Objection Deadline and the Sale Objection Deadline with respect to the First Round Hospitals in Arkansas and Louisiana is **July 26, 2024 at 5:00 p.m. (Central Time)**.³

Sale Hearing

14. The hearing to consider approval of sales of the First Round Hospitals in Arkansas and Louisiana will take place on **July 31, 2024 at 1:00 p.m. (Central Time)** before the Honorable Christopher M. Lopez, United States Bankruptcy Judge in Courtroom 401, 4th Floor, 515 Rusk Street, Houston, Texas 77002 (the "Sale Hearing").⁴

15. You may participate in the Sale Hearing either in person or by an audio and video connection. Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the Conference Room Number. Judge Lopez's Conference Room Number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez's home page. The Meeting Code is "JudgeLopez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

16. Appearances must be made electronically in advance of the Sale Hearing. To make your appearance, click the "Electronic Appearance" link on Judge Lopez's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

Additional Information

17. If you have questions concerning the contents of this notice or the sale process, you should contact the representatives of the Debtors with whom you have previously been in contact or counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, Esq. (ray.schrock@weil.com), Candace M. Arthur, Esq. (candace.arthur@weil.com), and David J. Cohen, Esq. (davidj.cohen@weil.com)) and 700

³ Previously scheduled to occur on July 8, 2024 at 5:00 p.m. (Central Time).

⁴ Previously scheduled to occur on July 11, 2024 at 1:00 p.m. (Central Time).

Louisiana Street, Suite 37000, Houston, Texas 77002 (Attn: Clifford Carlson, Esq. (clifford.carlson@weil.com) and Stephanie N. Morrison, Esq. (stephanie.morrison@weil.com)).

18. Copies of the Bidding Procedures Order and the Global Bidding Procedures may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Kroll Restructuring Administration LLC, located at <https://restructuring.ra.kroll.com/Steward>.

Reservation of Rights

19. In accordance with the Bidding Procedures Order, the Debtors reserve the right to, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, modify the Global Bidding Procedures, waive terms and conditions set forth therein, extend the deadlines set forth therein, in each case, to the extent not materially inconsistent with the Global Bidding Procedures and the Bidding Procedures Order.

Dated: July 21, 2024
Houston, Texas

/s/ Clifford W. Carlson

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Certificate of Service

I hereby certify that on July 21, 2024, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Clifford W. Carlson
Clifford W. Carlson